

“To-Be” Gap Analysis Implementation Steps

1. Gap Identification: UM Gap Number 1: Standardize Land Use Contracts

Note that this is a one-time process, where new land use contract standards are established, and any existing use contracts are converted into the new standard data and formats.

2. Implementation Steps:

- a. Step 1: Assess risks
 - i. Data accuracy, completeness, consistency.
- b. Step 2: Develop policies and information standards.
 - i. Maintaining duplicate information during conversions (for both old system & new, until cutover)
 - ii. Unitization (aggregation of tracts, and algorithms to apportion revenue among tracts – see USF).
 - iii. Application of estimated use value from the planning process to the specific Management Unit or tracts involved in the use contract.
- c. Step 3: Modify regulations and statutes
 - i. Unitization of tracts (providing for aggregation of tracts into management units for all types of land use).
 - ii. Revenue apportionment from a unit to each tract, with method/calculation defined for each type of land use.
 - iii. Review draft 162 Leasing regulations 25 CFR 162 Subpart C and D and provide relevant “To-Be” comments.
- d. Step 4: Buy/Design software to implement a common, automated system to support land use contracts consistently across all agencies and regions. (Similar types of use and contract terms handled the same way, unless tribal or local obligations mandate otherwise).
- e. Step 5: Convert data from legacy sources to a common format and system
 - i. Abstracts
 - ii. Advertisements
 - iii. Appeal rights
 - iv. Cancellation / termination notice
 - v. Inspection reports
 - vi. Inventories
 1. Tracts
 2. Resource surveys
 - vii. Land status (idle, leased/permitted, owners use)
 - viii. Operators (contracting parties)

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- ix. Plats (and related information – aerial photos, etc.)
- x. Subsidy programs and terms (e.g. USDA)
- xi. Use contracts, existing (leases, permits, rights of way)
- xii. Use contract terms
 - 1. Bids – notice, deposit, selection procedure, response
 - 2. Bonds (performance, surety)
 - 3. Fees due (tribal, administrative, O&M)
 - 4. Periodic rentals due
 - 5. Production rentals due (e.g. royalties)
- xiii. Use contract value - estimated (computed for the use contract from the estimated use value provided by the Planning process).
- f. Step 6: Develop interfaces
 - i. Ownership interests
 - ii. Receivables and remittances
 - iii. Payables / project costs
- g. Step 7: Develop procedures and interim solutions for common, automated system, and distribute as revised BIAM and Interagency Handbooks.
- h. Step 8: Implement / deploy the Land Use Contract system.

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3. Dependencies on Business Processes:

Business Process Name	Process Name (As specified in “To-Be” Model)	Dependency Description
BRDM		
Predecessors	<ol style="list-style-type: none"> 1. B.2.1 Update Beneficiary’s Personal Data 2. B.6.3.1 Beneficiary Account Administration 	<ol style="list-style-type: none"> 1. Updated beneficiary information. 2. Updated beneficiary account, with an associated unique beneficiary identifier number.
Successors	<ol style="list-style-type: none"> 1. None 	
FO		
Predecessors	<ol style="list-style-type: none"> 1. FO.1.3 Reconcile Exceptions & Produce Report 2. FO.4.0 Omnibus Reconciliation 3. FO.5.0 Reporting & Statements 	<ol style="list-style-type: none"> 1. All deficiencies are reconciled and appropriate cutoff is made for contract activity. 2. All funds and deposits related to land use are reconciled as of the cutoff date and closed. 3. All funds and deposits related to land use are reported and traced to beneficiary statements or trust balance sheet accounts, to ensure a “clean” informational start to standardized land use contracts.
Successors	<ol style="list-style-type: none"> 1. FO.1.1a Create Trust Funds Receivable 2. FO.1.1b Create Non-Trust Funds Receivable 3. FO.3.1 Create Funds Payable 	<ol style="list-style-type: none"> 1. Invoice line items generated from use contract terms, and remittance advice for their payment; also, for conversion of performance/surety bonds, etc. to trust funds. 2. Memo records to reflect escrow account remittances, either in non-trust funds, non-trust performance/surety bonds, etc. and remittance advice. 3. For maintenance and support contracts where monies are to be paid for the support activity, and recouped later as part of land use contracts, or netted against lease/permit revenues before distribution; as well as returns of non-trust remittances (e.g. bid deposits).

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Business Process Name	Process Name (As specified in “To-Be” Model)	Dependency Description
LNRP – Wide Area Plan		
Predecessors	1. None	
Successors	1. P.2.2.2 Collect Pertinent Data 2. P.2.4.1 Request Environmental Clearances & DOI Approvals	1. Receive/review reports, summary land statuses, types of land use, and similar information from the standardized land contracts. 2. Requests for (wide-area) environmental clearances, or refinement of the categorical exclusions for land use.
LNRP - Appraisals		
Predecessors	1. P.1.4 Transmit Determination	1. Estimated Use Value (by type of land use, and class/quality of resource)
Successors	1. None	
LNRUM		
Predecessors	1. None	
Successors	1. None	
Ownership – Title		
Predecessors	1. O.4.2 Receipt of Recorded Documents and Update Title	1. Current ownership-interests.
Successors	1. None	
Ownership – Probate		
Predecessors	1. None	
Successors	1. None	

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Ownership - Conveyance		
Predecessors	1. None	
Successors	1. None	
Ownership - Survey		
Predecessors	1. None	
Successors	1. None	

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4. Dependencies on Universal Support Functions:

Universal Support Function	Dependency Description
Automated System Requirements	<ol style="list-style-type: none"> 1. Maintain history of land use contracts (e.g. leases, permits). 2. Maintain history and assessments by contract party (e.g. operator). 3. Issue consent notification, tabulate responses and document decision (see UM Gap 4). 4. Document land suitability for a designated use type. 5. Support unitization of land for use contract (designate a portion of a tract, an entire tract, or an aggregation of tracts to a Management Unit for the purpose of an contract). 6. Document assessments and decision for environmental clearances for land use. 7. Support multiple types of land use contracts, with specific terms and stipulations for each type: <ol style="list-style-type: none"> a. Agricultural (farm/pasture) b. Commercial c. Forestry (logging) d. Range (grazing) e. Minerals (e.g. precious metals) f. Oil & gas g. Residential h. Revocable use permits i. Sand & gravel 8. Support two types of financial terms for each type of land use: <ol style="list-style-type: none"> a. Periodic rental (e.g. a certain fee per time period). <ol style="list-style-type: none"> i. Periodic rental for the trust income. ii. Administrative fees. iii. Tribal fees. iv. Operation and maintenance fees. b. Production-based rentals (e.g. oil & gas royalties, logging, sand & gravel, mining of minerals, cropshare). <ol style="list-style-type: none"> i. Production terms allow for spot-market or futures-based pricing.

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Universal Support Function	Dependency Description
	<ul style="list-style-type: none"> ii. Production rental may be in addition to a periodic rental. iii. Production rental may vary dependent upon grade, quality, yield, specific gravity, sulfur content, or other commodity attributes. <ol style="list-style-type: none"> 9. For oil & gas, ensure a single, common lease number be assigned for the Land Management System and the MMS production reconciliation system (or its replacement). 10. Support revenue allocation algorithms for each type of land use (e.g. where tracts are unitized and the revenue must be split back to the underlying tracts). 11. Support the reconciliation of production reports against production-based remittances. 12. Support multiple methods of contractor/operator selection and finalization of terms: <ol style="list-style-type: none"> a. Tribal enterprise award. b. Tribal allocation. c. Bidding. <ol style="list-style-type: none"> i. Sealed bids, with bid opening. ii. Negotiated bids. iii. Facilitated auction. d. Negotiated contract. 13. Maintain history of land and resource monitoring and assessment reports. 14. Interface with Tracking System for tracking history of actions and interactions regarding enforcement cases in the situation of non-compliance.

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Policies, Procedures and Regulations	<ol style="list-style-type: none"> 1. Review draft 162 Leasing regulations 25 CFR 162 Subpart C and D and provide relevant “To-Be” comments. 2. Refine procedures for all land use contract activities based upon new systems capabilities and policies, and deploy with a refined BIAM Handbook. 3. Refine policies and procedures to establish consistent methods and algorithms to allocated revenues (or costs) from a land use contract or support activity to the underlying or impacted tracts of land. For example, a unitized aggregation of tracts for grazing should use the same method to apportion revenue (e.g. by AUM rating or carrying capacity). Each type of land use should have a defined apportionment method and calculation to be applied consistently across agencies and regions. 4. Policies and procedures to apply the estimated use value from the planning process to the specific Management Unit or tracts involved in the use contract.
Training	<ol style="list-style-type: none"> 1. Develop and deploy systems training for agency, line official, regional roles related to leasing and permitting, as well as for the interfaces with FO processes for billing and receivables. 2. Develop and deploy training on new policies and procedures.
Records Management	<ol style="list-style-type: none"> 1. Define storage, retrieval, and archiving requirements for historical data, such as past leases, permits, operator information, etc. 2. Define and implement date-effective and historical tracing access requirements (e.g. ability to view all leases as of a certain date or year; ability to retrieve a historical chain of use and contracts for a specific tract or Management Unit).
Risk Assessment	<ol style="list-style-type: none"> 1. Risk of actions based on erroneous, incomplete, or inconsistent data (in systems). 2. Risk of production-based contracts with financial terms based on spot market, (e.g. versus hedging via futures contracts). 3. Risk of excluding fee interests from land use contracts.
Workforce Planning	<ol style="list-style-type: none"> 1. Refine roles and staffing levels based on new processes and systems. 2. Develop new career path planning and skill development curricula.
Internal Controls / Fiduciary Security	<ol style="list-style-type: none"> 1. Segregate duties between role/resource who performs assessment, and role/resource who renders decision (e.g. assess land suitability vs. provide environmental clearance).